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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

December 21, 2009

Certified Return Receipt
7003 2260 0002 0247 8881

Floyd Anderson
Shamrock Mining Associates, LLC
2180 Parleys Terrace
Salt Lake City, Utah 84109-1510

Subject: Deficient Reclamation Surety, Shamrock Mining Associates, Blind Stream Mine, S/013/0004, Duchesne County, Utah

Dear Mr. Anderson:

The Division of Oil, Gas and Mining has reviewed the reclamation surety for the Blind Stream mine. This surety is due for review on December 22, 2009. Your current reclamation surety is \$18,000.00 which the Division is holding in the form of a certificate of deposit. The Division has recalculated the surety based on your permitted area of five acres to be:

\$24,600 escalated for 3 years (surety amount next reviewed in 2012) OR
\$25,200 escalated for 5 years (surety amount next reviewed in 2014)

The Division uses standard per-acre costs to determine surety amounts for small mines. The figures used are shown in the following table:

Project Size (Acres)	Surety 3 & 5 year escalation	Comments
1 or less acres	\$7,400 (3-year escalation) \$7,600 (5-year escalation)	Minimum amount required
Additional acres up to 5 acres	\$4,300/ acre (3-year escalation) \$4,400/acre (5-year escalation)	Partial acreages rounded up (e.g., 1.2 acres = 2 acres)
Cumulative Amount for 5-acres	(i.e. Maximum of 5 acres = \$7,400 +\$17,200 = \$24,600) (3-year escalation) (i.e. Maximum of 5 acres = \$7,600 +\$17,600 = \$25,200) (5-year escalation)	\$600.00 difference between 3 and 5 year escalation amount for 5-acres of disturbance.

Based on the information in the NOI, the Division has determined that you must post additional surety in the amount of:

\$6600 for 3-year escalation OR
\$7200 for 5-year escalation

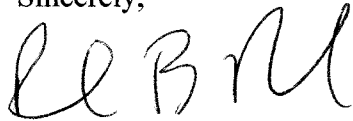
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When the site was last inspected, the disturbed area was five acres. You could reduce the reclamation surety requirement by reclaiming part of the site and submitting an amendment to the Notice of Intention to Commence Small Mining Operations to show the reduced acreage.

If you decide to reclaim and submit an amendment, please notify the Division and provide a reclamation schedule no later than February 15, 2010. Otherwise, please submit the additional surety by February 15, 2010.

Please contact surety coordinator, Penny Berry at 801-538-5291, for instructions on how to submit this increased surety. She can be reached at 801-538-5291 or by e mail at bondcoordinator@utah.gov. If you have questions or concerns regarding this letter, please contact me at 801-538-5261 or Leslie Heppler at 801-538-5257.

Sincerely,

A handwritten signature in black ink, appearing to read 'PB' followed by a stylized flourish.

Paul Baker
Minerals Program Manager

PBB:jr:pb
cc: daherron@fs.fed.us
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